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David Ciano

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EXAMINER

HOEL, MATTHEW D

ART UNIT

PAPER NUMBER

3714

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/626,148	<b>Applicant(s)</b> CIANCIO ET AL.	
	<b>Examiner</b> Matthew D. Hoel	<b>Art Unit</b> 3714	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 04 March 2008.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-24 and 26-49 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-24, 26-49 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |                                                                                      |                                                                   |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____                                                          | 6) <input type="checkbox"/> Other: _____                          |

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 102***

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 1 to 7, 9, 13, 15, 16, 20, 23, 24, 26 to 30, and 32 to 49 are rejected under 35 U.S.C. 102(e) as being anticipated by Walker, et al. (U.S. patent 6,415,262 B1).

1. As to Claim 1: '262 teaches a method for operating a reward program (Abst.; 18:60-64; 19:28-46) comprising the steps of:

establishing a plurality of product categories (Figs. 6, 7); receiving an indication of selected ones of the product categories (indication indicated through customer purchased of items);

tracking a customer's purchases in at least the selected product categories over a plurality of discrete purchase transactions (purchasers buys one gallon of milk per week, 20:17-36; subscription defined for year, 19:61-20:16); and

providing a single reward to said customer based at least in part upon the customer's cumulative purchases in the selected product categories over a discrete period of time (Abst.; single offer disclosed, 18:60-64, 19:28-46).

2. As to Claim 24: '262 teaches a method for operating a reward program (Abst.; 18:60-64; 19:28-46) comprising the steps of:

establishing a plurality of product categories (Figs. 6, 7);

setting a purchase threshold;

receiving an indication of selected ones of the product categories as selected by a customer (indication indicated through customer purchased of items);

tracking said customer's purchases in at least the selected categories over a plurality of discrete purchase transactions (purchasers buys one gallon of milk per week, 20:17-36; subscription defined for year, 19:61-20:16);

at some time after the customer reaches the purchase threshold, calculating a reward based at least in part upon customer purchases in the selected categories; and

providing said reward to said customer (Abst.; single offer disclosed, 18:60-64, 19:28-46).

3. As to Claim 26: '262 teaches a system for tracking and calculating customer rewards (Abst.; 18:60-64; 19:28-46) comprising:

at least one computer programmed to track the amounts of customer purchases in a plurality of predetermined product categories (Figs. 6, 7) for a plurality of customers over a plurality of discrete purchase transactions (purchasers buys one gallon of milk per week, 20:17-36; subscription defined for year, 19:61-20:16), and to calculate a single reward for each customer based at least in part upon the customer cumulative discrete purchase transactions in selected ones of said predetermined product categories (Abst.; single offer disclosed, 18:60-64, 19:28-46).

4. As to Claim 33: '262 teaches a software device for operating on a computer and for tracking and calculating customer rewards (Abst.; 18:60-64; 19:28-46), the software including:

a tracking module for tracking the amounts of customer purchases in a plurality of predetermined product categories (Figs. 6, 7) for a plurality of customers for a plurality of discrete transactions (purchasers buys one gallon of milk per week, 20:17-36; subscription defined for year, 19:61-20:16); and  
a calculating module for calculating a single reward for each customer based at least in part upon the cumulative tracked plurality of discrete customer purchases in selected ones of said predetermined product categories (Abst.; single offer disclosed, 18:60-64, 19:28-46).

5. As to Claim 45: '262 teaches a method for operating a reward program (Abst.; 18:60-64; 19:28-46) comprising the steps of:

establishing a plurality of product categories (Figs. 6, 7); receiving an indication of at least one selected product category (indication indicated through customer purchased of items);

tracking a customer's purchases in the at least the selected product category over a plurality of discrete purchase transactions (purchasers buys one gallon of milk per week, 20:17-36; subscription defined for year, 19:61-20:16); and

providing a single reward to said customer based at least in part upon the customer's cumulative purchases in the at least one selected product category over a discrete period of time (Abst.; single offer disclosed, 18:60-64, 19:28-46).

6. As to Claim 2: '262 teaches method of claim 1 wherein said receiving step includes receiving an indication of selected ones of the product categories as selected by a customer (products indicated by player's purchase, Abst.).
7. As to Claim 3: '262 teaches the method of claim 1 wherein said receiving step includes receiving an indication of selected ones of the product categories as selected by an operating store (subscriptions for complementary products selected by provider, Figs. 10 & 11, 8:48-9:32).
8. As to Claim 4: '262 teaches the method of claim 1 wherein said selected ones of said product categories are less than all of said plurality of product categories (other complementary subscriptions available, so the customer not subscribing to all available subscriptions, Fig. 16).
9. As to Claim 5: '262 teaches the method of claim 1 wherein said reward is based solely upon purchases by said customer in the selected categories (single offer disclosed, offer based only on the customer's purchase of milk in this case, 18:60-64, 19:28-46; 19:47-20:36).
10. As to Claim 6: '262 teaches the method of claim 1 wherein said tracking step includes tracking purchases of said customer in each of the plurality of product categories over a plurality of discrete purchase transactions (customer has plural subscriptions, Fig. 14; subscriptions involve plural transactions over a time period, 19:47-20:36).
11. As to Claim 7: '262 teaches the method of claim 1 wherein said receiving step occurs before the start of said tracking step (Figs. 10, 11, new complementary

subscriptions defined based on current subscriptions, of course the player cannot take advantage of these subscriptions by making purchases until after the subscriptions have been defined, 8:48-9:32).

12. As to Claim 9: '262 teaches the method of claim 1 wherein said providing step includes providing a reward only if a customer has made sufficient purchases that exceed a purchase threshold (offers given, 18:60-64, 19:37-46; penalty assessed and reward not offered if minimum purchases are not made, 19:47-20:36).

13. As to Claim 13: '262 teaches the method of claim 1 wherein said reward is store credit, a coupon, a gift card, or a gift certificate (credit offered in the form of a lower price, 18:60-64, 19:37-46).

14. As to Claim 15: '262 teaches the method of claim 1 wherein further comprising the step of recognizing said selected product categories, said recognizing step including entering said selected product categories into a computer system (product categories and descriptions, Figs. 6 & 7, stored in database, Fig. 5).

15. As to Claim 16: '262 teaches the method of claim 15 wherein said recognizing step includes linking said selected product categories to a permanent customer account maintained beyond a specific transaction (customer records, Fig. 14, 11:4-30).

16. As to Claim 20: '262 teaches the method of claim 1 further comprising the step of receiving an indication of new selected ones of said products categories, and wherein said providing step includes providing a reward to said customer based at least in part upon the customer's purchases in the new selected categories (subscriptions for complementary products offered to user, Fig. 16; player accepts or declines

subscription offers, Figs. 15A-B; reward offered to player for completion of subscription, 18:60-64, 19:34-20:15).

17. As to Claim 23: '262 teaches the method of claim 1 wherein said receiving, tracking, and providing steps are carried out for a plurality of customers (Fig. 14, customer identifiers indicate a plurality of customers).

18. As to Claim 27: '262 teaches the system of claim 26 wherein said computer is programmed to receive an indication of selected ones of said product categories as selected by a customer (complementary subscriptions offered to user, Fig. 16; can be accepted or declined by user, Figs. 15A-B; various product categories, Figs. 6 & 7).

19. As to Claim 28: '262 teaches the system of claim 26 involving receiving an indication of selected ones of the product categories as selected by an operating store (subscriptions for complementary products selected by provider, Figs. 10 & 11, 8:48-9:32).

20. As to Claim 29: '262 teaches the system of claim 26 wherein said computer is programmed to store a purchase threshold and to compare the cumulative purchases of each customer to the purchase threshold (minimum purchases for subscriptions, 19:61-20:37).

21. As to Claim 30: '262 teaches the system of claim 26 further including a plurality of checkout terminals located in at least one store and coupled to said at least one computer, wherein each checkout terminal can identify the products purchased by each customer and transfer such information to said at least one computer (POS terminals in store, Figs. 1-3, 4:17-45).



22. As to Claim 32: '262 teaches the system of claim 26 further including a database of customer information, said database including customer identifying information for each customer and reward information associated with each customer, said database being readable by said computer (Figs. 3-5, 14; POS controller 100, 4:31-45; database, 11:4-51).

23. As to Claim 34: '262 teaches the software device claim 33 wherein said tracking module can receive an indication of selected ones of said product categories as selected by a customer (products indicated by player's purchase, Abst.).

24. As to Claim 35: '262 teaches the software device of claim 33 wherein at least one of said tracking module or calculating module can store a purchase threshold and compare the cumulative purchases of each customer to the purchase threshold (minimum purchases required for subscription, 19:47-20:36).

25. As to Claim 36: '262 teaches the software device of claim 33 wherein said software device includes a computer readable medium and a computer program stored on the computer readable medium and including said tracking and calculating modules (database, Fig. 5; customer records, Fig. 14, 11:4-51).

26. As to Claim 37: '262 teaches the method of claim 1 wherein said receiving step is discrete and separate from a purchase transaction (Figs. 15A-B, 16, user selection of product category in the form of selecting a subscription is separate from the individual purchase).

27. As to Claim 38: '262 teaches the method of claim 1 wherein said reward to said customer is based upon a plurality of discrete transactions (rewards 18:60-64, 19:38-46; rewards based on plurality of purchases over period of subscription, 19:47-20:36).

28. As to Claim 39: '262 teaches the method of claim 1 wherein each product category in said establishing step includes a plurality of products linked together by a store or chain to thereby define each product category (plural products in category, Fig. 6; categories set by retail store, 7:19-38, exemplary grocery stores, 1:38-2:12).

29. As to Claim 40: '262 teaches the method of claim 39 wherein each product category includes a relatively broad category of products and includes a plurality of differing products or goods included therein such that each product category is broader than any particular product or good individually available for purchase (plurality of products in category, Fig. 6).

30. As to Claim 41: '262 teaches the method of claim 1 wherein said establishing step includes establishing, before a purchase transaction, a predefined number of product categories, wherein each product category includes a plurality of products, and wherein the method further includes the step of, after said establishing step and prior to said receiving step, a customer selecting one of said product categories (categories established, Fig. 6; complementary offers determined and offered to player, Fig. 16; player accepts or declines category subscription offer, Figs. 15A-B).

31. As to Claim 42: '262 teaches the method of claim 1 wherein each discrete transaction constitutes a separate visit to the store or chain (20:16-36, purchaser

subscribes to one gallon of milk per week, which will involve separate visits to the store).

32. As to Claim 43: '262 teaches the method of claim 1 wherein said discrete period of time is longer than the period of time to carry out a purchase transaction (discrete purchases over term of subscription, 19:47-20:36).

33. As to Claim 44: '262 teaches the method of claim 24 wherein said tracking step includes tracking a customer's purchases in at least the selected product categories over a plurality of discrete purchase transactions, and wherein said providing step includes providing a single reward to said customer based at least in part upon the customer's cumulative purchases in the selected product categories over a discrete period of time (18:60-64, 19:36-46, 19:47-20:36).

34. As to Claims 46, 48, and 49: '262 teaches the reward being directly provided to the customer (18:60-64, 19:28-46).

35. As to Claim 47: '262 indicates that the products are product categories that would be sold by a grocery store (Figs. 6, 7). The background of '262 indicates that Walker, et al. intended for the tracking system to be used at least among grocery stores (1:33-2:12).

### ***Claim Rejections - 35 USC § 103***

36. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

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invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

37. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148

USPQ 459 (1966), that are applied for establishing a background for determining

obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

38. Claims 8, 12, 17 to 19, and 31 are rejected under 35 U.S.C. 103(a) as being unpatentable over '262 in view of Suzuki (U.S. patent 5,053,957 A).

39. As to Claim 8: '262 discloses all of the limitations of Claim 8, but lacks specificity as to receiving after tracking. It is, however, possible in '957 for the receiving step to be made after the tracking step in the event that the temporary change key in step 102 is pressed before the goods key 116 (customer level changed temporarily before transactions rung up, Col. 4, Lines 47 to 64). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have applied this step found in '957 to the system of '262. '262 teaches POSs (cash registers) connected to a database in a retail environment (Figs. 1-3, 4:17-45, 1:33-2:12), which is analogous to the cash register system of '957 (Abst.). The rewards of '262 can be lower prices for products or subscriptions (18:60-64, 19:37-45); the cash register of '957 implements discount levels corresponding to customer levels (Abst., Fig. 4, 3:1-21). This modification would be advantageous in that it would provide a convenient way to

implement the discounts as they are done at the register and no manual overrides or manual calculations would be needed to provide the discounts.

40. As to Claim 12: '957 discloses printing on the customer's purchase receipt, the total amount of the customers purchases to date that qualify for awards (Fig. 16). '599 teaches rewarding the customer based on purchase levels to date (Fig. 5). '599 issues a periodic statement to the customer indicating the performance target, the target period, and the reward terms to the player (Col. 10, Lines 36 to 50).

41. As to Claim 17: '957 recognizes products by scanning a bar code (Col. 7, Lines 1 to 9).

42. As to Claim 18: '957 recognizes products marked with bar codes and recognizes which category they are in (Fig. 10; Col. 7, Lines 1 to 9).

43. As to Claim 19: '957 discloses printing on the customer's purchase receipt, the total amount of the customers purchases to date that qualify for awards (Fig. 16). '599 teaches rewarding the customer based on purchase levels to date (Fig. 5). '599 issues a periodic statement to the customer indicating the performance target, the target period, and the reward terms to the player (Col. 10, Lines 36 to 50).

44. As to Claim 31: '957 teaches a bar code scanner operatively coupled to at least one computer, wherein the bar code scanner can identify selected ones of the product categories (Col. 7, Lines 1 to 7).

45. Claims 10, 11, 14, 21, and 22 are rejected under 35 U.S.C. 103(a) as being unpatentable over '262 in view of Walker, et al. (U.S. patent 6,128,599 A).

46. As to Claim 10: '262 discloses all of the limitations of Claim 10, but lacks specificity as to a threshold being exceeded. '599, however, determines the reward based upon customer purchases in the selected categories after the purchase threshold is exceeded (Fig. 8, award distributed in step 820 after determination of target achievement made in step 818). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have applied the exceeded threshold of '599 to the system of '262. '262 teaches that a minimum level of purchases must be made in order to obtain an award, which can take the form of a discount (19:47-20:36, 18:60-64, 19:37-46), so this is an analogous limitation to a threshold. This limitation thus appears to be a mere design consideration in light of '262. It would have the advantage of providing another criterion for awarding the rewards that the store or retail chain could use to customize the reward or customer tracking programs for maximum profitability.

47. As to Claim 11: The customer of '599 is notified after the purchase threshold has been exceeded (periodic statement, Col. 10, Lines 36 to 50).

48. As to Claim 14: The reward of '599 is based at least in part upon a percentage of all or a portion of the customer's purchases in each of the selected product categories (1% reward for purchases up to \$150,000 and 2% for over \$150,000).

49. As to Claim 21: '599 teaches providing an award based on purchases after a quarterly reward period is over (first row of table, Fig. 5).

50. As to Claim 22: '599 sets a target aggregate quarterly charge volume if the accessed aggregate quarterly charge volume is below a minimum (Col. 8, Line 60 to Col. 9, Line 29, especially Table I).

### ***Response to Arguments***

51. Applicant's arguments with respect to claims 1 to 45 have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

52. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Scroggie, et al. in U.S. patent 6,014,634 A teach classifying products into categories.

53. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Matthew D. Hoel whose telephone number is (571) 272-5961. The examiner can normally be reached on Mon. to Fri., 8:00 A.M. to 4:30 P.M.

54. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert E. Pezzuto can be reached on (571) 272-6996. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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55. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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